



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-5

AUG - 1 1997

Mason D. Morisset, Treasurer  
Morisset, Schlosser, Ayer & Jozwiak, A  
Professional Service Corporation PAC  
1115 Norton Building  
801 2nd Avenue  
Seattle, WA 98104

Identification Number: C00277905

Reference: Mid-Year Report (1/1/95-6/30/95)

Dear Mr. Morisset:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule A supporting Line 11(a)(i) of your report discloses contributions received through what appears to be a payroll deduction plan. Please refer to the enclosed sample of properly reported payroll deductions when filing your next report.

-Your report includes computer produced formats of Schedule A. Computer produced formats may only be used upon prior approval of the Commission. You should submit a separate sample format with a cover letter requesting approval. Until your format has been approved, FEC forms must be used. 11 CFR §104.2(d)

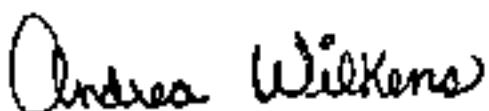
-2 U.S.C. §434(b)(3) requires itemization of contributions from individuals and persons other than political committees, where the aggregate total from the contributor exceeds \$200 in a calendar year. In addition, 11 CFR §104.3(a)(2)(i)(B) requires a committee to report the total amount of unitemized contributions (see Line 11(a)(ii) of the Detailed Summary Page). If a committee wishes to disclose contributions regardless of the amount contributed, the committee must separate (on separate receipt schedules) those contributors requiring itemization from those who are not

required to be itemized. 11 CFR §104.3(a)(4)(i) For future filings, please submit your reports in this order.

-For future filings, please note that your committee need only file the pages on which you have itemized activity. Schedules with no activity may be omitted.

Any amendment or clarification should be filed with the Federal Election Commission. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 219-3580.

Sincerely,



Andrea Wilkens  
Reports Analyst  
Reports Analysis Division

## PAYROLL DEDUCTIONS

SCHEDULE A ITEMIZED RECEIPTS		Use separate schedule for each category in the Detailed Summary Page									
Contributions from Individuals		PAGE	OF								
		FOR LINE NUMBER 11(a)(3)									
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to which contributions from such committee.											
NAME OF COMMITTEE (in full) National Organization PAC C000000001											
<table border="1"> <tr> <td>A. Full Name, Mailing Address and ZIP Code  Anne Sullivan 21 18th Street City, State ZIP</td> <td>Name of Employer  National Organization, Inc. Occupation Branch Manager Aggregate Year-to-Date &gt; 4</td> <td>Date Rec'd. 08/19/94 Payroll deduction \$90.00  (\$18 biweekly)</td> <td>Amount of Each Periodic Pay Period</td> </tr> <tr> <td>Receiv'r For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General  Other Receipts</td> <td></td> <td></td> <td></td> </tr> </table>		A. Full Name, Mailing Address and ZIP Code  Anne Sullivan 21 18th Street City, State ZIP	Name of Employer  National Organization, Inc. Occupation Branch Manager Aggregate Year-to-Date > 4	Date Rec'd. 08/19/94 Payroll deduction \$90.00  (\$18 biweekly)	Amount of Each Periodic Pay Period	Receiv'r For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General  Other Receipts					
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Itemize payroll deductions only after they have exceeded \$200 per calendar year from an individual.

## IN-KIND CONTRIBUTIONS

SCHEDULE A ITEMIZED RECEIPTS		Use separate schedule for each category in the Detailed Summary Page									
Contributions from Individuals		PAGE	OF								
		FOR LINE NUMBER 11(a)(3)									
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Receiv'r For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General  Other Receipts											

SCHEDULE B ITEMIZED EXPENDITURES		Use separate schedule for each category in the Detailed Summary Page									
Operating Expenditures/Other Federal		PAGE	OF								
		FOR LINE NUMBER 21(b)									
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Itemize in-kind contributions on both Schedules A and B so as not to inflate the cash-on-hand amount.

## Payroll Deductions

Once an individual's deductions aggregate over \$200 in a calendar year, report the total amount deducted from the donor's paychecks during the reporting period on Schedule A. In parentheses indicate the amount that was deducted each pay period. Instead of stating a specific date of receipt, write "payroll deduction" under "Date." The other itemized information, including the year-to-date total, must be completed for each donor. 104.8(b).

**EXAMPLE:** During an election year, a corporate manager authorizes her employer to deduct \$15 per pay period (each pay period is two weeks) for the company's SSF. The SSF, which files FEC reports on a quarterly schedule, includes the manager's first-quarter contributions (\$90 for six pay periods) as "unitemized contributions" on Line 11(a)(ii) in the April quarterly report.

By June 30 (the closing date for the July quarterly report), 13 pay periods have passed, and the manager's aggregate contributions are \$195—still below the \$200 itemization threshold. The manager's second-quarter contributions again are included in "unitemized contributions" in the July report.

By September 30 (the closing date for the October quarterly report), 19 pay periods have passed, and the manager's contributions reach \$285. Now the committee itemizes the total contributions received from the manager during the third quarter (\$90), providing the year-to-date total in the appropriate space. (See item A in the illustration above.)

## In-Kind Contributions

When determining whether to itemize an in-kind contribution, follow the same guidelines listed above under "When to Itemize Receipts." See page 6 for information on how to determine the dollar value of an in-kind contribution.

In addition, add the value of the in-kind contribution to the operating expenditures total on Line 21(b) (in order to avoid inflating the cash-on-hand amount). 104.18(a)(2).

If the in-kind contribution must be itemized on Schedule A, then it must also be itemized on a Schedule B for operating expenditures. See the illustration at right.

